



COMMISSIONER'S CORNER

A Message from IRS Commissioner Doug Shulman



As I shared with you recently, our fiscal year 2012 budget outlook is challenging. I have continued to explain to Congress that a significant reduction in our budget would have serious detrimental effects on the nation's tax system.

Because employee-related expenses account for the vast majority of our budget, we must reduce our workforce if our final budget is reduced by the amounts now being discussed in Congress. Last year, we were able to achieve the needed workforce reduction through attrition, but this year we will need to use some new tools. While we continue to have conversations with members of Congress, we must take additional steps for potentially significant budget reductions.

Today, I wanted to let you know that we will soon be offering early outs and buyouts for a limited subset of our employees. These programs are formally called Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Payments (VSIP); both options involve voluntary separations for employees who are retirement-eligible or close to it.

We plan to make these buyout offers to a limited set of employees in positions that do not involve direct service or enforcement interactions with taxpayers. Our budget situation remains quite uncertain, and it's possible we will have to offer a second round of buyouts to a wider range of employees who deal directly with taxpayers in service and enforcement matters. However, in light of the importance of the filing season, we would generally not offer buyouts in campus operations. We are keeping a close watch on the situation in Congress and will respond accordingly.

We recognize there will be a lot of questions, and we will make sure you have all of the information you need. More details will be coming early next week. In addition, we are continuing to work with Colleen Kelley and NTEU on the roll-out of the VERA / VSIP offers.

The IRS has weathered many down budgets and workforce challenges over the years. Those who have been in the Service for a while know that we have a tradition of doing everything we can to minimize involuntary workforce restructuring.